Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

# Message Text

PAGE 01 STATE 098829

72
ORIGIN EA-14

INFO OCT-01 ISO-00 CG-00 DOTE-00 EUR-25 EB-11 PM-07 NSC-07

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---------- 006421
R 132121Z MAY 74
FM SECSTATE WASHDC
TO AMEMBASSY SAIGON
INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMCONSUL BIEN HOA
AMCONSUL CAN THO
AMCONSUL DANANG
AMCONSUL HONG KONG
AMCONSUL NHA TRANG
USDEL JEC PARIS
USSAGE NKP
CINCPAC
COGARD
XMT AMEMBASSY SUVA
AMEMBASSY RANGOON

UNCLAS STATE 098829

COGARD FOR POLAD

E.O. 11652: N/A
TAGS: PFOR, XC, US
SUBJECT: MAY 13 EA PRESS SUMMARY

INDOCHINA

1. NYT REPORTS THAT GVN SPOKESMAN, IN BRIEFING FOR SVN NEWSMEN, ACCUSES "BIG" US NEWSPAPER OF THREAT TO WRITE UNFAVORABLE ARTICLE IF GVN REFUSES TO ALLOW

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PAGE 02 STATE 098829

RESUMPTION OF VC WEEKLY NEWS CONFERENCES. SPOKESMAN REFUSED TO NAME NEWSPAPER; ONE NEWS AGENCY SAYS THAT HE LATER PRIVATELY IDENTIFIED IT AS NYT, BUT OTHER REPORTERS IN SVN DAILIES NAME OTHER NEWSPAPERS AS

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

TARGET OF ATTACK. NYT SAIGON BUREAU CHIEF MARKHAM
IS HEAD OF ASSOCIATION OF FOREIGN CORRESPONDENTS
IN VN, AND ASSOCIATION HOLDING TALKS WITH GVN OFFICIALS
ON QUESTION OF ACCESS TO ISOLATED VC DELEGATION TO
JMC. MARKHAM DID NOT PARTICIPATE IN DISCUSSIONS
SINCE OUT OF COUNTRY LAST WEEK, SAYS THAT TO HIS
KNOWLEDGE NO THREATS WERE MADE IN COURSE OF TALKS
AND "CERTAINLY NO THREATS" MADE BY NYT.

2. MARKHAM (NYT) FROM SAIGON REPORTS RUMOR THAT
CAFE GIVRAL ON TU DO STREET WILL CLOSE, IDENTIFIES
IT AS "FOUNTAINHEAD" OF SPICY RUMORS THAT ARE ANGRILY
DENIED AND HALF-BELIEVED WHEN PRINTED IN LOCAL PRESS.
GIVES EXAMPLE OF RECENT RUMOR CONCERNING FALLING-

OUT OF INFO MINISTER NHA AND PREMIER KHIEM AND THE
"MARVELOUS VARIETY" OF INCIDENTS GENERATED TO DRAMATIZE
IT. COMMENTS THAT AMBASSADOR MARTIN HAS BEEN GIVEN
"GIVRAL TREATMENT" THOUGH MANY ADMIRE HIM FOR PUBLICLY
SUPPORTING SVN'S "UNPOPULAR CASE" IN US. MARTIN'S
RECENT ASSERTION THAT NVA POWS WERE PICKED UP BY
AIR AMERICA FOR HUMANITARIAN REASONS WAS DOUBTED,
AND CONSENSUS WAS THAT "CIA GETS TO INTERROGATE HIGH-
RANKING PRISONERS" FIRST. OLDTIMERS AGREE THAT GIVRAL
RUMORS AREN'T AS GOOD AS BEFORE, REASONS MAY BE THAT
SAIGON PAPERS NO LONGER AS FREE AS USED TO BE, NUMBER
OF FOREIGN JOURNALISTS DOWN, OR BECAUSE PEOPLE TOO
HUNGRY AND HAVE NO TIME FOR RUMORS. MARKHAM BELIEVES
"WORST RUMOR OF ALL" IS THAT GIVRAL WILL CLOSE.

3. CHITRIB'S MCLEAN FROM WASHINGTON WRITES OF "HEFTY"
PRICE THAT US STILL PAYING FOR INVOLVEMENT IN SVN,
NOTING THAT ARVN SHOOTS OFF ONE MILLION DOLS IN US-
SUPPLIED AMMO ON AVERAGE DAY. QUOTES "FEDERAL GOVERNMENT"
ESTIMATES THAT FINAL BILL, INCLUDING WAR COSTS, VETS'
BENEFITS AND RECONSTRUCTION, MAY BE AS HIGH AS 352
BILLION DOLS. RECOUNTS SENATE ACTION TO BLOCK FURTHER
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MIL AID TO SVN THIS FY AND ACCOMPANYING DEBATE THAT
ADDRESSED NECESSITY FOR FURTHER AID TO INDOCHINA;
AND PENTAGON ADMISSION THAT IT STOCKPILES ARMS FOR
POSSIBLE USE IN SEA. MCLEAN POINTS OUT THAT ADMIN
RECEIVED 1.126 BILLION THIS FY IN MIL AID FOR GVN
AFTER INITIAL REQUEST OF 2.1 BILLION, AND SEES MORE
CUTS LIKELY IN FUTURE.

4. MIL SOURCES SAY LONG BORET VISIT TO REFUGEES
AT KOMPONG THOM CUT SHORT WHEN REBELS SHELLED TOWN
(REUTER, NYT).

CHINA

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

5. CHOU EN-LAI'S SATURDAY COMMENT TO BHUTTO -- "I AM NOT VERY WELL BECAUSE I AM OLD" -- RECEIVES WIDE COVERAGE (CSM; CHITRIB; NYT; PHINQ- AP, SUN). CHITRIB'S KIRK, IN HK, SAYS RECENT PHOTO MADE AVAILABLE THERE TO WESTERN INTELLIGENCE SOURCES REVEALS CHOU AS "TIRED, ALMOST SICKLY OLD-MAN POSSIBLY INCAPABLE OF HOLDING HIS GOVT TOGETHER AGAINST SURGING CROSSCURRENTS OF FEUDING AND FIGHTING FOR POWER." SAYS "LATEST SIGN OF CHOU'S ILL HEALTH WAS HIS OFF-AGAIN, ON-AGAIN RECORD OF ATTENDANCE AT PUBLIC FUNCTIONS THAT HE HAS NEVER BEEN KNOWN TO SKIP IN HIS ENERGETIC CAREER." SUGGESTS CHOU'S ILLNESS MAY EXPLAIN SHARPENING OF STRUGGLE FOR POWER OVER NATIONAL ADMINISTRATION, AS VERIFIED BY CHANGES IN PROVINCIAL GOVTS OVER LAST FEW WEEKS. QUOTES "HIGHLY-INFORMED SOURCE" WHO WAS "APPALLED" BY CHOU'S PHYSICAL APPEARANCE AND BY REALI-ZATION THAT "HE'S QUITE SUDDENLY BECOME AN OLD MAN." ANOTHER WESTERN SOURCE, KIRK REPORTS, CONTENDS CHOU'S HEALTH SEEMS TO HAVE DECLINED SHARPLY IN PAST YEAR, AND THAT "CHINESE HAVE BEEN TOUCHING UP HIS LATEST PHOTOGRAPHS TO PREVENT INTERNATIONAL SPECULATION."

6. MANDEL AND 5 OTHER GOVERNORS EMBARK ON PRC TRIP BILLED BY DOS AS PART OF EFFORT TO INCREASE SINO-US CONTACTS (SUN, WP).

7. PEKING BROADCAST SAYS POWERFUL EARTHQUAKE IN
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SOUTH CHINA SATURDAY CAUSED LOSS OF LIFE AND CONSIDERABLE DESTRUCTION TO HOMES; NO CASUALTY FIGURES GIVEN. NCNA SAYS HARDEST HIT AREAS WERE CHAO-TUNG IN YUNNAN AND LIANGSHAN AUTONOMOUS REGION IN SZECHWAN (WP).

8. GRC REPORTS 153 MILLION DOL TRADE DEFICIT DURING FIRST 4 MONTHS OF 1974. US REMAINED BIGGEST CUSTOMER WITH EXPORTS REACHING 634 MILLION DOLS, JAPAN RANKED SECOND (324 MILLION DOLS), AND HK THIRD WITH 122 MILLION DOLS (UPI, JOC).

JAPAN

9. WSJ'S PEARLSTINE REPORTS GOJ-GRC TRADE CONTINUES DESPITE DIPLOMATIC STRAINS. JAPANESE BUSINESSMEN ASSERT THEY HAVE RECEIVED STRONG INDICATIONS THAT ROC OFFICIALS REMAIN ANXIOUS TO KEEP CLOSE COMMERCIAL TIES WITH JAPAN. TRADE BETWEEN THEM TOTALED RECORD 2.9 BILLION DOLS IN YEAR ENDING MARCH 31.

10. NIPPON STEEL SAYS EARNINGS SURGED 142 PERCENT IN 6 MONTHS ENDED MARCH 31. FIRM SAYS IT WILL SUPPLY

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

HOT STRIP MILL AND ELECTRIC STEEL LINE TO CHINA FOR
216 MILLION DOLS (WSJ).

11. JOC REPORTS ZENITH CORP CONFIRMED SUNDAY THAT
IT HAS NOTIFIED MOTOROLA INC. OF ITS INTEREST IN
ACQUIRING CERTAIN ASPECTS OF MOTOROLA'S CONSUMER
PRODUCTS DIVISION, INCLUDING HOME-TV RECEIVER BUSINESS
BEING SOUGHT BY MATSUSHITA. BUT WSJ CITES MOTOROLA
CONTENTION THAT ZENITH OFFER IS NOT ACCEPTABLE AND
THAT DISCUSSIONS OF SALE "WOULDN'T BE PRODUCTIVE."

THAILAND

12. RTG ANNOUNCES IT HAS ORDERED FULL POLICE ALERT
TO COPE WITH RISING TENSION IN 3 SOUTHERN MOSLEM-
DOMINATED PROVINCES OF YALA, PATTANI AND NARATHIWAT
(WP).

KOREA
UNCLASSIFIED

PAGE 05 STATE 098829

13. SUN'S SEIDEN IN SEOUL INTERVIEWS KIM DAE JUNG
AND REPORTS HE STILL UNDER SURVEILLANCE, THOUGH
NO LONGER FORMALLY UNDER HOUSE ARREST. SAYS KIM
SPENDS HIS DAYS QUIETLY AT HOME, GREETING FOREIGN
VISITORS AND WAITING PATIENTLY FOR CHANGE HE SAYS
IS "INEVITABLE." DESPITE HIS PUBLIC OPTIMISM, ACCORDING
SEIDEN, KIM CONCEDES RECENT ROKG CRACKDOWN HAS SERIOUSLY
HURT MOVEMENT FOR A DEMOCRATIC CONSTITUTION - MOVEMENT
THAT STILL WAS GROWING DRAMATICALLY ONLY FIVE MONTHS
AGO. SINCE THEN, SEVERAL HUNDRED PEOPLE HAVE BEEN
SILENCED BY THREAT OF DEATH PENALTY FOR OPPOSING
CURRENT MARTIAL-LAW CONSTITUTION. CITES KIM THAT
HE STILL WANTS TO ACCEPT INVITATION TO LECTURE AT
HARVARD, IF GOVT GRANTS HIM PASSPORT AND LETS HIM
LEAVE COUNTRY. ANSWERING ROKG CLAIMS THAT MARTIAL
LAW IS NECESSARY TO OPPOSE NK SUBVERSION, KIM SAYS
KOREANS OPPOSE COMMUNISM BECAUSE THEY BELIEVE IN
FREEDOM, BUT "IF WE HAVE NO FREEDOM IN SOUTH KOREA,
THEN WHAT REASON DO WE HAVE FOR FIGHTING AGAINST
COMMUNISM?" RECALLING THAT AT END OF RHEE ADMIN IN
1961 US ENCOURAGED KOREANS TO FIGHT FOR DEMOCRACY,
KIM SAYS, "THIS TIME...I CAN'T SAY THAT THE US HAS
GIVEN THE DEMOCRATIC MOVEMENT THE SAME KIND OF MORAL
SUPPORT."

COMMENT AND ANALYSIS

CHINA

14. PHINQ LEAD EDITORIAL PROPOSES THAT CHINA PROVIDE
CITY'S ZOO WITH PAIR OF PANDAS FOR DELIVERY IN TIME

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

FOR BICENTENNIAL FESTIVITIES. PANDA EXHIBIT COULD
BE DEDICATED TO CONTINUING FRIENDSHIP BETWEEN CHINA
AND US. TOUR OF CHINA BY PHILADELPHIA ORCHESTRA
ALREADY HAS ESTABLISHED CLOSE CULTURAL LINK BETWEEN
CITY AND PRC, AND SENATOR SCOTT WELL MIGHT USE HIS
GOOD OFFICES TO FACILITATE COMMUNICATIONS WITH
CHINESE OFFICIALS.

VIETNAM
UNCLASSIFIED

PAGE 06 STATE 098829

15. SUN SAYS WE SUBSCRIBED IN PARIS TO CONCEPT OF
COALITION GOVT IN SAIGON, WITH ALL THE DANGER OF
EVENTUAL COMMUNIST TAKEOVER, IN ORDER TO GET OUR
TROOPS OUT AND POWS BACK. BUT OUR ACTUAL POLICY
HAS BEEN TO THWART THAT DANGER BY TRYING TO PUT GVN
IN POSITION WHERE IT CAN IGNORE PARIS ACCORDS AND
HOLD BACK COMMUNISTS INDEFINITELY. IT HAS BEEN EASY
POLICY TO DEFEND BECAUSE NVN HAS BEEN EQUALLY CONTEMPTUOUS
OF THE PARIS ACCORDS; IT HAS INFILTRATED 120,000
TROOPS, AND HAS BUILT SUPPLY NETWORK WITH POTENTIAL
TO SUPPORT TAKEOVER OFFENSIVE WITHIN RELATIVELY FEW
YEARS. WHILE ADMIN'S ONLY RESPONSE TO COMPLICATED
DILEMMAS IN INDOCHINA HAS BEEN SAME OLD FORMULA OF
MORE GUNS AND MONEY, CONGRESS HAS BEEN GROPING FOR
WAY TO REDUCE POTENTIAL FOR VIOLENCE IN VN. IF CUTTING
MIL ASSISTANCE IS FAIRLY EASY FOR TYPICAL VN CRITIC
ON HILL, THAT IS NOT THE CASE FOR ECON AID. THERE
IS NO DOUBT THAT US IS RESPONSIBLE FOR GROSS DISTORTION
IN SVN ECONOMY. IN PROVIDING ECON AID, WE MUST SHOW
FAR MORE CARE THAT IT BE DIRECTED MAINLY TO RELIEF
AND REHABILITATION. CAPITAL INVESTMENT MONEY, TIGHTLY
AUDITED, CAN SERVE A PURPOSE. BUT PURPOSE MUST BE
GENERAL WELFARE FOR ALL PEOPLE, NOT JUST THE ELITE,
AND IT MUST NOT BE DIVERTED INTO MIL CHANNELS AS
HAS BEEN CASE IN PAST.

INDOCHINA

16. WP'S JACK ANDERSON REPORTS THAT SOME 3,000 MARINES
ARE ON CONSTANT ALERT IN S PACIFIC AS PART OF HUSH-
HUSH OPERATION "EAGLE PULL." TASK FORCE, SOME SEABORNE,
IS ARMED WITH HELICOPTERS, LIGHT TANKS, HOWITZERS,
AND OTHER INSTANT STRIKE WEAPONS. WORRIED MARINES
FEAR THEY ARE BEING READIED FOR INDOCHINA LANDING,
BUT MARINE HQ INSISTS UNITS ARE STANDING BY TO RESCUE
AMERICANS IF PP OR OTHER INDOCHINA CITIES FALL TO
COMMUNISTS.

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Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005



17. PHINQ CRITICIZES DOS REFUSAL TO ALLOW NK UN OBSERVERS TO PROCEED TO HARVARD WHOSE SCHOLARS INVITED NK'S UN DELEGATION TO CAMBRIDGE FOR EXCHANGE OF VIEWS. INDICATES THAT REFUSAL BASED ON FACT THAT NK HAS ONLY OBSERVER STATUS AT UN AND NO DIPLOMATIC RELATIONS WITH US, AND US POLICY IS THAT SUCH DIPLOMATS ARE FORBIDDEN TO TRAVEL MORE THAN 25 MILES FROM MANHATTAN UNLESS THEIR UN BUSINESS REQUIRES IT. PHINQ VIEWS POLICY AS "JUST PLAIN SILLY," A CONTRADICTION OF US POLICY TOWARD SUCH OTHER ERSTWHILE ENEMIES AS CHINA, CONTRARY TO US INTERESTS, AND SERVES NO USEFUL PURPOSE. "FOGGY BOTTOM OUGHT TO CATCH UP WITH THE WORLD AROUND US."

JAPAN

18. CONGRESSIONAL QUARTERLY (CSM) NOTES THAT IN WASHINGTON, JAPANESE BUSINESSES AND TRADE ALLIANCES - PRIMARILY STEEL, TEXTILE, AND AUTO INTERESTS THAT HAVE STAKE IN KEEPING US DOORS OPEN TO JAPAN'S PRODUCTS - ARE REPRESENTED BY HANDFUL OF LOBBYISTS, GENERALLY LAW FIRMS. US-JAPAN TRADE COUNCIL, WITH CLOSE TIES TO GOJ EMBASSY, REPRESENTS ABOUT 900 US AND JAPANESE FIRMS THAT SUPPORT LIBERAL TRADE POLICIES BETWEEN THE TWO NATIONS. JAPANESE EMBASSY MONITORS US BUSINESS AND POLITICAL DEVELOPMENTS AND CULTIVATES WORKING RELATIONSHIPS WITH CONGRESSIONAL SOURCES, EXECUTIVE BRANCH OFFICIALS, JOURNALISTS, AND INDUSTRY AND LABOR LEADERS. WITH ONSET OF SERIOUS US-JAPANESE TRADE AND POLITICAL PROBLEMS IN LATE 1960S, EMBASSY OFFICIALS BEGAN TO ESTABLISH LONG-NEGLECTED CONTACTS WITH CAPITOL HILL. NEW POLITICAL STAFF WAS SET UP AT EMBASSY TO SERVE AS INFORMAL CHANNEL TO JAPAN. KENICHI ITO, FIRST SECY OF POLITICAL SECTION,EXPLAINS: "WE HAVE TO LET THE GOVERNMENT IN TOKYO KNOW WHAT THE VIEWS OF CONGRESS ARE, SO TOKYO WON'T MAKE ANY MISCALCULATIONS, SO CONFLICTS WON'T ARISE." ITO SAYS EMBASSY DOES NOT LOBBY, BUT WAYS AND MEANS COMMITTEE STAFF AIDE COMMENTS THAT EMBASSY DOES MAKE ITS VIEWS KNOWN ON THE HILL, ADDING THAT MOST COMMITTEE MEMBERS DON'T WANT TO BE TOO CLOSELY IDENTIFIED WITH JAPANESE INTERESTS.
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USJTC LEGISLATIVE DIRECTOR SAYS COUNCIL IS AUTONOMOUS, BUT DURING 1970 HEARINGS ON TRADE LEGISLATION, INFLUENTIAL MEMBER OF HOUSE WAYS AND MEANS COMMITTEE CHARGED THAT COUNCIL "IS REALLY A FRONT GROUP FOR THE JAPANESE EMBASSY AND THE JAPANESE GOVERNMENT." RUSH

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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